News Release
SENATOR FOR THE 16TH DISTRICT
CAMERON BROWN
State Capitol | Lansing, Michigan 48913
PH (517) 373.5932 | FAX (517) 373.5944
www.senate.michigan.gov/gop/senator/brown/

FOR IMMEDIATE RELEASE Contact: Tony Hendon (517) 373-5932

Sen. Brown's "Claim It Correctly" Sent to Governor

Bill to bring in new revenue to state and counties without raising taxes

WEDNESDAY, July 02, 2003 – Moving swiftly on its way to being signed into law, Senate Bill (SB) 520, sponsored by Sen. Cameron S. Brown, has passed both the Michigan Senate and House on unanimous votes and now goes to Gov. Jennifer Granholm for her signature.

The Senate today concurred with the House version of SB 520 to close a real tax loophole and collect millions in lost revenue from unlawful homestead property exemptions. The bill passed the Senate 37 to 0 and the House 105 to 0. The bill was given "immediate effect", meaning it will be implemented as soon as the governor signs the measure.

"The revenue projected under '*Claim it Correctly*' is a main reason the state's budget can be balanced without raising taxes," said Brown, R-Fawn River Township. "This is a fairness issue, and by being fair to all homeowners we can help our schools and balance the state's books."

Brown's bill to establish the *Principal Residence Assurance Program* is expected to collect at least $40 million in its first year.

Brown thanked St. Joseph County officials for their assistance with the legislation. "St. Joseph County Equalization Director Judy Nelson, Deputy Director Mark Cute and Administrative Aide Brenda Babcock have been very helpful in serving on a work group to develop the fine points of this legislation," Brown said. "I applaud their initiative, their experience and their knowledge of this issue that helped make this legislation possible."

Michigan residents can claim an exemption of 18 school mills (currently known as the *homestead exemption*) on their principal residence. Many out-state-residents who own vacation homes in Michigan, and many residents who own multiple homes in the state, have duplicate exemptions in violation of Michigan law, sometimes unknowingly.

Brown's bill would provide an incentive to allow counties and local units of government to be involved in the examination of principal residence exemptions with the Department of Treasury, by using a 70%-20%-10% formula to split revenue resulting from penalties, based upon who denied the exemption.

An amnesty provision is included in the bill that would waive fines and penalties. The amnesty period would begin when the bill is signed into law and would expire Nov. 1, 2003.

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